

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

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IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
FOR AN INCREASE IN ELECTRIC BASE) PSC DOCKET NO. 13-115
RATES AND MISCELLANEOUS TARIFF)
CHANGES (FILED MARCH 22, 2013))

ORDER NO. 8466

AND NOW, this 8th day of October, 2013;

WHEREAS, on March 22, 2013, Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Delaware Public Service Commission (the "Commission") an application (the "March 2013 Application") seeking approval of: (a) an increase in its electric base rates; and (b) miscellaneous tariff changes; and

WHEREAS, in its March 2013 Application, Delmarva sought approval of an increase in annual operating revenues of \$42,044,000, or 7.38% over total revenues; and

WHEREAS, pursuant to its authority under 26 Del. C. §306(a)(1), the Commission reviewed the March 2013 Application and determined in PSC Order No. 8337 (April 9, 2013) that the proposed rate and tariff changes should be suspended pending full and complete evidentiary hearings into their justness and reasonableness; and

WHEREAS, by PSC Order No. 8337, the Commission also granted the Company's request, pursuant to 26 Del. C. § 306(c), to implement interim rates intended to produce an annual increase in intrastate operating revenues of \$ 2.5 million on June 1, 2013, with proration and subject to refund, in the event the Commission suspends the proposed rate increase; and

WHEREAS, as of October 22, 2013, seven months have elapsed from the date of the filing of the Company's application for a rate increase; and

WHEREAS, on September 12, 2013, Delmarva submitted an Application with proposed tariff sheets (the "September 2013 Application") seeking to implement under bond an interim rate increase of \$27,655,265, as permitted by 26 Del C. § 306(b); and

WHEREAS, the Company did not file the bond with the September 2013 Application, as required by Del. C. § 306, but stated that consistent with past practice, a rate refund bond will be filed upon Commission approval of rates in whatever manner the Commission may require; and

WHEREAS, Commission Staff reviewed the September 2013 Application and recommends that the Commission approve the Company's request; and

WHEREAS, it appears that the proposed rates set forth in the September 2013 Application will result in total additional revenue to Delmarva of less than or equal to 15% of its annual gross intrastate operating revenues, thus not exceeding the 15% ceiling set forth in 26 Del. C. §306(b); and

WHEREAS, the Commission having reviewed the September 2013 Application to implement an interim rate increase under refund bond without surety and the supporting information demonstrating that the proposed increase is within the limits established by 26 Del. C. §306(b) and otherwise complies therewith for the collection of rates under bond;

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. That the Commission finds, pursuant to 26 Del. C. §306(b), that Delmarva Power & Light Company has the statutory right, after the expiration of seven months from the filing of its rate increase application (on or after October 22, 2013), to place into effect an interim rate increase, subject to refund, so long as said rates will not produce an increase in excess of 15% of the Company's annual gross intrastate operating revenues.

2. That the proposed temporary rates set forth in the tariff sheets filed by Delmarva Power & Light Company in its September Application are reasonably designed to produce, on an annual basis, equal to or less than 15% of the gross annual intrastate operating revenues of Delmarva Power & Light Company and may therefore be placed into effect on October 22, 2013, under 26 Del. C. § 306(b), with proration for usage on and after October 22, 2013, subject to refund with interest.

3. That, within ten days, Delmarva Power & Light Company shall submit to the Commission a rate refunding bond, without surety, in the amount of **TWENTY SEVEN MILLION SIX HUNDRED FIFTY-FIVE TWO HUNDRED SIX HUNDRED SIXTY-FIVE DOLLARS (\$27,655, 265).**¹ Such rate refunding bond shall further guarantee repayment of the increased interim rates to be collected on and after October 22, 2013 pursuant to 26 Del. C. §

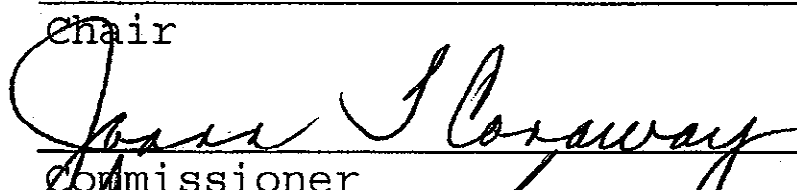
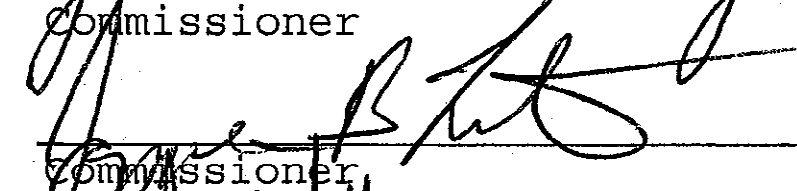
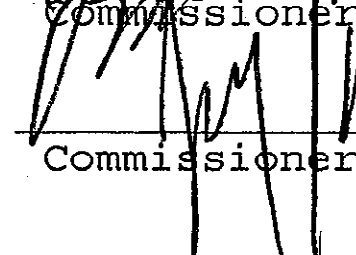

¹ \$27,655,265 is cumulative of the \$2,500,000 put into effect on April 9, 2013 in accordance with PSC Order No. 8337. By the September 2013 Application, Delmarva seeks to put an additional \$25,155,265 into effect.

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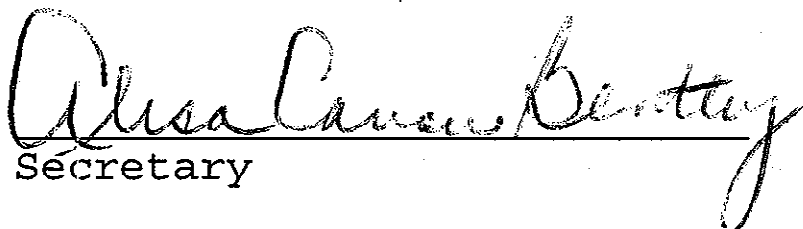
306(b) should the Commission, after notice and hearing, approve less than the rate increase requested by Delmarva Power & Light Company in its December 2012 Application. The Commission reserves the right to subsequently increase the principal amount of the rate refunding bond, or require surety on any such amount, should the circumstances warrant.

4. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary and proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:


Secretary